MINUTES OF THE SPRINGVILLE CITY WATER BOARD

Tuesday, March 10, 2015 6:30 a.m. 110 South Main Street Springville, Utah 84663

ATTENDANCE

Councilmember Secretary

Richard Child Marcie Clark

Board Members City Staff

Alton Beck Brad Stapley – Public Works Director Nile Hatch Shawn Barker – Water Superintendent

Calvin Crandall Fred Aegerter – Community Development Director

Rollin Hotchkiss Rod Andrew

Visitors: John & Linda Mount, Plat "A" Irrigation Users

The minutes from the February 10, 2015 meetings were reviewed. Mr. Hatch made the motion to approve the minutes. Mr. Crandall seconded. All were in favor.

Mr. Hotchkiss explained that the Water Board goes on field trips occasionally, such as touring the Canyon Road Well and Bartholomew Tank site. He would like to take a field trip to Ogden and look at the river restoration. He invited Mr. Aegerter, Community Development Director to talk about what was done in Ogden, since he used to work up there. Mr. Beck interjected with a concern on whether or not this would be part of the scope of the Water Board. Mr. Beck made a copy of the City Code with the duties of the Water Advisory Board and distributed it to the group. He stated that when we do things beyond our authority, there is a liability concern for the members of the Water Board. Mr. Stapley will check with the City Administrator and Attorney to see if it is something they want the Water Board to pursue. Mr. Hotchkiss read through the code and couldn't see anything that prohibits it. He asked the other board members how they felt. Mr. Andrew thought creek restoration could fall under the Water Board duties. He explained how Nestle (worldwide) feels about water. They are concerned about how we manage it and take care of it. Mr. Crandall stated that the creek is a water resource, but not related to drinking water. The City should be concerned about it, but it might not be within the bounds of this board. Mr. Stapley still wanted to hear what Mr. Aegerter had to say.

Mr. Aegerter reviewed the history and process of the Ogden River rehabilitation for the last 30 years. Urban fisheries, kayaking, other activities have been introduced. It used to be a place where people dumped their cars and other junk. The Army Corp. was involved and the river became a focal point. Mr. Stapley went on a field trip with the Mr. Hotchkiss and his BYU students and he was very impressed with what has been done there. He believes there are places in Springville where we could do something similar and change the character of the creek. Mr. Crandall suggested creating a sub-committee to look at the resources Hobble Creek has. There are maintenance issues, bank stabilization, flood control, etc. It might be part of recreation.

Mr. Stapley moved to the next agenda item – tiered water rates. Nile Hatch mentioned he has incomplete data and still needs to clear up some numbers on the water billing. He will try to meet with the Janet Hutchings in Utility Billing today and get better data. Mr. Stapley distributed a summary of the water system. The State requires the City to design the water system to meet the peak day gpm. According to the table, Springville City only has 182 gpm of excess water. Mr. Stapley explained peak day in Springville is around midnight to 4:00 a.m.

Mr. Stapley doesn't want to paint a doomsday picture because we do have a lot of redundancy in the system. But we are at the point where we need another water source. The Mayor and City Council has asked staff to look at our source requirements after we hook up 1,112 homes to secondary water next summer. Since they won't be using

culinary water for their lawns, what will that do for our excess culinary water? Mr. Stapley distributed his notes on the Culinary Water Master Plan and explained the water sources. His equations include adding 1986 new homes in west fields and 712 new homes east of 400 West that will not be served with pressurized irrigation. He figured a gallon per minute per household on a quarter acre lot. Last year the 900 South Well was down for a few weeks and it was very hot. We were losing 2 million gallons/day that we couldn't replace. We were slowly going down. Mr. Stapley thinks the City needs a new well as soon as possible. Putting a new well in takes about 2 years to get up and going.

Another spreadsheet was handed out, showing the five year capital plan; the projects we will be working on in the next five years and their costs/funding. Mr. Stapley highlighted two projects; one is the Bartholomew Tank Replacement, which needs to be replaced in the next three years, and a new 400 South Well. We had a structural analysis done a few years ago that said the tank needed to be replaced within five years. We started saving money for that two years ago. Mr. Stapley brought up the City map on the screen to show where the tank is up left fork canyon. We have a new well site planned in the northeast corner of the city compound at 909 E 400 S. Mr. Stapley reviewed the Total Expenditures on the spreadsheet for upcoming capital improvement projects. He explained what water rate increases would need to be implemented to cover those costs. Mr. Stapley referred back to his handout with handwritten notes and figures on it. We have \$1.3 million every year to use toward capital projects. Mr. Hatch added that \$1.3 million is still just an estimate, since demand fluctuates depending on the weather. Mr. Stapley stated that if we have a wet year and people don't water their lawns, our revenues would go down. The rate will vary from year to year, depending on our revenues and what projects need to be funded. Mr. Hotchkiss asked how secondary water will affect the water revenue. It's a two edge sword. Our culinary water use will decrease as secondary water starts up and we can move the capital projects back as needed.

Mr. Stapley explained that there are some things we can do to increase water sources. Burt springs is losing a lot of water through the collection zone and down the ditch – we are looking at developing that. We have other sources we will try to get water from; we're not going to put all our eggs in the "rate basket". We'll probably go forward with a new well design, since it takes about a year to plan and get state permits. We will look at starting by increasing base rates this year. But we could see how it goes year to year.

Mr. Stapley referenced the July 2014 Billing handout, showing where Springville is with base rates compared to other cities. Mr. Hatch stated that the tiered rate has been in place for about 10 years. It was designed to help people conserve. That \$10.00 base rate is very low after 10 years. Mr. Stapley explained that 96% of users are in the first three tiers. Most users use less than 100,000 gallons. But it may be time to adjust our tiers. Mr. Hatch stated that our water consumption has improved; it's lower than it used to be. Mr. Stapley explained that we need more revenue or need to develop more efficiency in our system.

Mr. Hotchkiss asked how the \$22 million projected deficit, for replacing pipes 50 years and older, factors in. Mr. Stapley stated that the \$22 million will show up in year 6 of the 5-year plan. He has directed his division heads to look at 20 years out for projects, even though administration is only asking for 5 years. The numbers don't have growth revenue factored in; they are in today's dollars. But they give us a good planning tool for where we are going. Mr. Stapley reiterated that the tank and well have to happen. Mr. Beck stated that it is assuming we have a constant supply of water. Mr. Stapley agreed. We could have problems if we have more drought years. We had our driest winter and driest February on record since 1847.

Mr. Hotchkiss asked if the culinary water users will be subsidizing secondary water users again once the PI comes on line. Mr. Stapley explained that Springville City is very different from other communities, in that we received a \$9 million grant for secondary water and our rate structure will not include that. The mayor wants the secondary water rates to be at or below the culinary rates, which will be very hard. The culinary water users might have to pay into the secondary water system in the beginning to jump start it, until we get a rate structure in place. We're starting a new business with PI, and we need "seed money". Mr. Hotchkiss asked if the loss in culinary water revenue, due to the onset of PI, will have to be made up with increased culinary water rates. Mr. Stapley replied that it could. He explained that it's all part of running a city and everyone in the city is trying to get a system started that will allow all of us to not have to go to surface treatment of culinary water. Cl. Child also stated that without people on secondary water, we may have a shortage of water. The whole idea of secondary water is to save water and not have to treat that water. Mr. Hotchkiss thinks this situation is very similar to Plat "A" irrigation. Mr. Stapley talked about things that the City funds that not everybody uses, such as the library. Cl. Child added that it is different, though, in that not everyone in the City has the option for secondary water or Plat "A" irrigation water. Some are forced to use culinary

water. Mr. Stapley brought up the issue of modifying city code so that secondary water is not an option for the West Fields. They will have to hook up to it. They won't have a choice, just like residents are required to hook up to the sewer if it is available.

Mr. Hotchkiss stated that the difference is that PI is pressurized and we won't have the same issues that we have with maintenance in Plat "A". We're telling the West Fields user that he must use secondary water and we're telling Plat "A" users we're considering ending surface irrigation. Mr. Stapley replied that he has reported back to city council members, after the Plat "A" irrigation meeting in February, that staff's recommendation and probably the water board's recommendation will be to have a blend of raising rates in Plat "A" to some extent and having the City subside to some extent, to keep the trees and other things which are a benefit to the City.

Mr. Stapley added that we need to give a recommendation soon to City Council about these budget issues, as we are starting a new budget year. Unfortunately, there isn't enough time in this meeting. But it needs to be done before the next water board meeting. We also need to address the culinary water base rate and the tiered rates.

Mr. Beck asked about storage and the 5-year plan. Mr. Stapley stated we don't need more storage. We have plans to build more tanks in the future, and what is in the Master Plan will suffice. We're looking at two more tanks near the Spring Creek zone and another new well near 200 North.

Mr. Hatch asked about how secondary water is going to be priced. Mr. Stapley said we need to look at that. We're deciding whether or not to meter it. There are some cities that didn't meter PI initially that have gone back and put in meters because residents were wasting water. Those residents that have access to PI would have to use it. Rod Andrew, who lives in Spanish Fork, said he had to certify he was hooked up to PI.

Mr. Hotchkiss reviewed the issues. Do we need an additional meeting this month to come up with recommendations to City Council? Mr. Stapley would like to have another meeting before April. March 31st will work for most board members at 6:30 am. If there are any questions on the handouts, please call or email Mr. Stapley so discussions can begin.

Mr. Stapley talked about the Plat "A" letter that was sent out after the meeting in February. The board still needs to consider where we want that system to go. We did have a rate increase that was budgeted last year, but we have gone forward with it without any changes. We still need to talk about more increases for this current budget year.

Mr. Hatch moved to adjourn. Mr. Beck seconded. All were in favor.

Adjourn – This meeting adjourned at 7:30 a.m.